Regulations on the Administration of Foreign Contracted Projects (revise in 2017)

State Council Order No. 527

Issued in July 2008. The March 2017 State Council Order No. 676 was amended.

Chapter 1 of the Regulations on the Administration of Foreign Contracted Projects

Article 1 These Regulations are formulated for the purpose of regulating foreign contracted projects and promoting the healthy development of foreign contracted projects.

Article 2 The term “foreign contracted projects” as used in these Regulations refers to the activities of Chinese enterprises or other units (hereinafter collectively referred to as “units”) for contracting overseas construction projects (hereinafter referred to as “projects”).

Article 3 The State encourages and supports the development of foreign contracted projects and improves the quality and level of foreign contracted projects.

The relevant departments of the State Council formulate and improve policies and measures to promote foreign contracted projects, and establish and improve foreign contracted engineering service systems and risk protection mechanisms.

Article 4 To carry out foreign contracted projects, it is necessary to safeguard national interests and social public interests and protect the legitimate rights and interests of expatriates.

To carry out foreign contracted projects, we shall abide by the laws of the countries or regions where the project is located, abide by the contract, respect local customs and habits, pay attention to ecological environment protection, and promote local economic and social development.

Article 5 The competent department of commerce of the State Council shall be responsible for the supervision and administration of the national contracted projects. The relevant departments of the State Council shall be responsible for the administration related to the foreign contracted projects within their respective functions and responsibilities.

The competent department of construction under the State Council organizes and coordinates the construction of enterprises to participate in foreign contracted projects.
The competent commercial departments of the people’s governments of provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for the supervision and administration of foreign contracted projects within their respective administrative regions.

Article 6 Associations and chambers of commerce related to foreign contracted projects shall provide their members with information and training related to foreign contracted projects in accordance with the articles of association, formulate industry norms in accordance with the law, play a role of coordination and self-discipline, and maintain fair competition and members’ interests.

Chapter II Foreign Contracted Project Activities

Article 7 The competent department of commerce of the State Council shall, in conjunction with the relevant departments of the State Council, establish a safety risk assessment mechanism for foreign contracted projects, regularly publish the assessment results of the safety status of relevant countries and regions, provide timely warning information, and guide the units of foreign contracted projects to prevent safety risks.

Article 8 Units that undertake foreign contracted projects shall not undertake engineering projects, collude bids, or conduct commercial bribery at unreasonably low prices.

Article 9 The unit of the foreign contracted project shall conclude a written contract with the contractor of the overseas project, clarify the rights and obligations of both parties, and perform the obligations in accordance with the contract.

Article 10 Units that undertake foreign contracted projects shall strengthen the management of project quality and safe production, establish, improve and strictly implement the rules and regulations of project quality and safe production management.

If the unit of the foreign contracted project subcontracts the project, it shall conclude a special project quality and safety production management agreement with the subcontractor, or stipulate their respective project quality and safety production management responsibilities in the subcontract, and the subcontractor The engineering quality and safety production work are unified and coordinated.

The units contracted by foreign projects shall not subcontract the project to units that do not have the corresponding qualifications stipulated by the state; the construction part of the project shall not be awarded to the domestic construction enterprises that have not obtained the safety production license according to law.

The subcontracting unit shall not subcontract or subcontract the project. The unit of the foreign contracted project shall clearly stipulate in the subcontract that the subcontracting unit shall not subcontract or subcontract the project and be responsible for supervision.

Article 11 An institution engaged in intermediary services for expatriates of foreign contracted projects shall obtain the permission of the competent department of commerce of the State Council and engage in intermediary services for expatriates of foreign contracted projects in accordance with the provisions of the competent department of commerce of the State Council.

Where an entity that contracts foreign projects employs an expatriate through an intermediary agency, it shall choose an intermediary agency that has obtained permission and legally operated according to law, and may not recruit expatriates through an intermediary agency that has not obtained the license according to law or has a major illegal act.

Article 12 The units contracted for foreign projects shall conclude labor contracts with the expatriates recruited according to law, provide working conditions and pay remuneration to the personnel dispatched in accordance with the contract, and perform the obligations of the employer.

Article 13 The units of foreign contracted projects shall have special safety management institutions and personnel responsible for protecting the personal and property safety of the
expatriates, and formulating the protection of the personal and property safety of the expatriates according to the specific conditions of the contracted projects. Programme, implementation of the requirements.

The units of the foreign contracted project shall, in accordance with the safety conditions of the country or region where the project is located, conduct targeted safety training and emergency knowledge training for the personnel to be deployed, and enhance the safety awareness and self-protection ability of the expatriates.

Article 14 Units that undertake foreign contracted projects shall purchase overseas personal accident insurance for expatriates.

Article 15 Units that undertake foreign contracted projects shall, in accordance with the provisions of the competent department of commerce of the State Council and the financial department of the State Council, deposit deposits in a timely manner.

The reserve fund stipulated in the preceding paragraph shall be used to pay the following expenses that the unit of the foreign contracted project refuses to undertake or cannot afford:

(1) the remuneration of the expatriate;
(2) due to the emergency, the expatriate returns to the country or accepts other emergency The expenses required for salvage;
(3) The expenses required for compensation for the loss of personnel to be dispatched according to law.

Article 16 After the contract of the foreign contracted project and the contractor of the overseas project is concluded, it shall promptly report to the Chinese embassy (consulate) in the country where the project is located.

The units of the foreign contracted project shall accept the guidance of the Chinese embassy (consulate) in the project country in terms of emergency prevention, project quality, safe production and protection of expatriates.

Article 17 Units that undertake foreign contracted projects shall formulate emergency plans for emergencies; when emergencies occur outside the country, they shall promptly and properly handle them, and immediately submit them to the Chinese embassy (consulate) and relevant domestic supervisors in the country where the project is located. Department report.

The competent department of commerce of the State Council shall, in conjunction with the relevant departments of the State Council, establish and improve the mechanism for early warning, prevention and emergency response of foreign contracted projects in accordance with the principle of equal emphasis on prevention and disposal, and formulate emergency plans for emergencies of foreign contracted projects.

Article 18 Units that undertake foreign contracted projects shall report to the competent commercial authorities on a regular basis the situation of their foreign contracted projects, and submit the business statistics to the relevant departments in accordance with the regulations of the competent department of commerce of the State Council and the statistical department of the State Council.

Article 19 The competent department of commerce of the State Council shall, in conjunction with the relevant departments of the State Council, establish a system for collecting and reporting information on foreign contracted projects, and provide information services to units that are contracted for foreign projects free of charge.

The relevant departments shall provide fast and convenient services to the units of foreign contracted projects in accordance with the law in terms of customs clearance of goods and entry and exit of personnel.

Chapter III Legal Liability
Article 20 If a unit of a foreign contracted project has any of the following circumstances, the competent department of commerce shall order it to make a correction, and impose a fine of not less than 100,000 yuan but not more than 200,000 yuan, and the principal responsible person shall be less than 10,000 yuan but not more than 20,000 yuan. If the refusal is not corrected, the competent commercial authority may prohibit it from contracting new construction projects within a period of one year or more and three years or less; causing major engineering quality problems, production safety accidents above a major accident, or other serious consequences. The competent construction department or other relevant competent authorities may lower their qualification level or revoke their qualification certificates:

(1) failing to establish and strictly implement the rules and regulations of project quality and safety production management;

(2) no special safety management institutions and personnel Responsible for protecting the personal and property safety of expatriates, or failing to formulate plans for protecting the personal and property safety of expatriates and implementing the required funds according to the specific conditions of the contracted projects;

(3) Failure to conduct safety precautions for expatriates And emergency knowledge training;

(4) no emergency response plan has been formulated, or Unexpected incidents outside the country have not been handled in a timely and proper manner.

Article 21 If a unit of a foreign contracted project has any of the following circumstances, the competent department of commerce shall order it to make a correction, and impose a fine of not less than 150,000 yuan but not more than 300,000 yuan, and the principal responsible person shall be less than 20,000 yuan but not more than 50,000 yuan. If the refusal is not corrected, the competent commercial authority may prohibit it from contracting new construction projects within a period of not less than 2 years and less than 5 years; causing major engineering quality problems, production safety accidents above major accidents or other serious consequences The competent construction department or other relevant competent authorities may lower their qualification level or revoke their qualification certificates:

(1) contracting engineering projects, colluding bids or conducting commercial bribery at unreasonably low prices;

(2) not with subcontractors Establish special engineering quality and safety production management agreements, or fail to stipulate their respective engineering quality and safety production management responsibilities in the subcontract, or fail to coordinate and manage the engineering quality and safety production work of the subcontracting units;

(iii) the project subcontracted to not have the appropriate qualifications prescribed by the State unit, or to subcontract part of the construction project without obtaining safety licenses to the domestic law of construction enterprises;

(iv) not in points The contractual contract clearly stipulates that the subcontracting unit shall not subcontract or subcontract the project.

If the subcontractor subcontracts or subcontracts the contracted project, the construction department shall order it to make corrections, and impose a fine on the subcontractor and its principal responsible person in accordance with the amount stipulated in the preceding paragraph; cause major engineering quality problems, or occur Where a safety accident occurs above a major accident, the competent construction department or other relevant competent department may lower its qualification level or revoke its qualification certificate.

Article 22 If a unit of a foreign contracted project has any of the following circumstances, the competent commercial department shall order it to make a correction, and impose a fine of not less than 20,000 yuan but not more than 50,000 yuan; if it refuses to make corrections, the principal responsible person shall be more than 5,000 yuan. A fine of less than 10,000 yuan:

(1) After signing a contract with the contractor of the overseas project, it has not been reported to the Chinese Embassy (Consulate) in the country where the project is located;

(2) An unexpected incident occurred outside the country. Reported to the Chinese embassy (consulate) and the relevant competent authorities in the country where the project is located;

(3) failing to report to the competent commercial authority on the basis of its foreign contracted projects, or failing to submit business statistics to relevant departments in accordance with regulations; Information.
Article 23 The units of foreign contracted projects shall recruit expatriate personnel through intermediaries that have not obtained permission according to law or have major illegal acts, or do not purchase overseas personal accident insurance for expatriates in accordance with the provisions of these Regulations, or fail to comply with regulations. If the reserve fund is deposited, the competent commercial authority shall order it to make corrections within a time limit, and impose a fine of not less than 50,000 yuan but not more than 100,000 yuan, and a fine of 5,000 yuan to 10,000 yuan for the principal responsible person; if the overdue is not corrected, the competent commercial department may be forbidden to contract new projects within a period of one year or more and three years or less.

Those who have not obtained the permission of the competent department of commerce of the State Council and engage in intermediary services for expatriate personnel of foreign contracted projects shall be ordered by the competent department of commerce of the State Council to make corrections and impose a fine of not less than 100,000 yuan but not more than 200,000 yuan; if there is illegal income, the illegal income shall be confiscated: A fine of 50,000 yuan to 100,000 yuan for the main person in charge.

Article 24 If the competent department of commerce, the competent department of construction, and other relevant departments abuse their powers, neglect their duties, or engage in malpractices in the supervision and administration of foreign contracted projects, and constitute a crime, they shall be investigated for criminal responsibility according to law; according to law, punishment.

Chapter IV Supplementary Provisions

Article 25 The import and export of goods, technology import and export, personnel entry and exit, customs, taxation, foreign exchange and other matters involved in foreign contracted projects shall be handled in accordance with relevant laws, administrative regulations and relevant state regulations.

Article 26 If the unit of the foreign contracted project participates in the quotation amount by means of bidding or negotiation, and the project is stipulated by the competent commerce department of the State Council and the financial department of the State Council and other relevant departments, the issuance of bank guarantees shall be subject to the business of the State Council. The regulations of the competent departments and the financial departments of the State Council and other relevant departments shall be handled.

Article 27 If a unit of a foreign contracted project contracts a specific project or contracts with a specific country or region determined by the competent department of the State Council and the relevant departments of the Ministry of Foreign Affairs and other relevant departments, it shall be approved by the competent department of commerce of the State Council in conjunction with the relevant department of the State Council.

Article 28 The projects contracted by units in the Mainland of China in the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan Region shall be implemented in accordance with the provisions of these Regulations.

Article 29 The implementation and management of the foreign aid construction projects of the Chinese government shall be implemented in accordance with relevant state regulations.

Article 30 These Regulations shall come into force on September 1, 2008.

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